



FY2008

Revenues at Rs. 22,618 million

PAT increases by 36% to Rs. 848 million

EPS at Rs. 20.88

Full year dividend at 50%

Mumbai, June 24, 2008: PSL Limited (PSL), a global leader in manufacturing and coating of pipes for transporting hydrocarbon products, water products, and steel structural applications, and the largest manufacturer of high-grade large diameter Helical Submerged Arc Welded (HSAW) pipes in India, announced its results for the year and fourth quarter ended March 31, 2008.

Order book position

- Strong unexecuted order book position of over Rs. 62,000 million as on 24 June 2008. Recent key orders are as follows:

Order	Value (Rs. million)	Details	Kms	Tonnage (Approx.)
BPCL	1,230	Bina-Kota pipe line project	262	20,000
GAIL	19,280	Vijaipur – Dadari – Bawana pipe line project	470	230,000
Florida Gas Transmission Company	17,556	Florida gas pipe line (U.S.)	870	220,000
Hanwa Co.	1,890	Water home project at palm beach project (Middle East)	60	28,000
HPCL-Mittal Pipe Line	9,170	Mundra – Bhatinda crude Line	1,024	140,000
L & T	3,080	Barmer Water pipe line	220	50,000

- Current domestic orders amount to a total of over Rs. 44,000 million



- Majority of the domestic order book expected to be completed within FY2009 – lending firm revenue and earnings visibility
- International orders to be executed by facilities located in the Middle East and the U.S. – in-line with strategy to reduce transportation costs and to be close to consumer

Key developments

- 300,000 MTPA facility in the U.S. through PSL North America LLC (U.S. subsidiary) scheduled to be commissioned in Q2 FY2009
 - After establishing the facility, the Company expects it to receive API approval within one to two quarters and begin commercial production early CY2009
- 75,000 MTPA Sharjah facility commissioned and stabilized – order prospects highly encouraging
 - Robust demand prospects based on level and nature of new project enquiries in the Middle East
 - PSL plans to expand its capacity to 300,000 MTPA and upgrade it to a Two-Step Mill to take advantage of a conducive operating environment
 - Two-Step process reduces costs and improves the quality of production
 - Some customers specify utilisation of Two-Step welding process at the exclusion of the One-Step welding process
 - The Company is one of the three players in the world operating a Two-Step Mill
- PSL set to be a distinctly positioned pipe Company in the world to have presence in three key global regions



- Post commissioning of the U.S. plant, the Company will have presence in Asia (India), Middle East (U.A.E) and North America (U.S.)
- All three regions are high growth areas and are expected to witness significant demand for pipes going forward
- Global presence is in-line with the Company's strategy to have manufacturing facilities close to the location of consumption
 - Large diameter pipes do not lend themselves to be transported over longer distances as freight costs act as a significant barrier
 - Closeness to area of deployment provides additional customer comfort in terms of quality and reliability of delivery
- State-of-the-art captive engineering capabilities
 - The US facility is the fourth Two- Step facility to be set up in the world and the second facility commissioned by PSL using captive technology and engineering capabilities
 - Provides a niche platform that complements capacity expansion
 - Enables accelerated capacity enhancement with contained capital investment

Commenting on the performance for Q4 & FY2008, Mr. Ashok Punj, Managing Director of PSL Limited, said:

"I am happy to announce that we have registered healthy growth this year and are on a firm wicket to deliver stronger performance in the coming financial year on the back of our robust order book position. Further, FY2009 has commenced on a strong note where we have bagged major prestigious orders. And I am glad to add that the pipeline for new orders remains buoyant in both domestic and international markets and we are positive this will translate into further orders for PSL."



In line with our strategy of having manufacturing facilities close to potential demand zones, we are in the process of developing a 300,000 MTPA facility in the state of Mississippi, USA through our U.S. subsidiary. The opportunities offered by our American facility are very exciting as this will be the first H-SAW unit in the U.S. and we expect healthy demand for large diameter H-SAW pipes in the U.S. going forward.

The outlook for the coming financial year is highly positive as our unexecuted order book as on 24 June 2008 is over Rs. 62 billion. We are scheduled to execute most of our domestic orders in FY2009 itself and are targeting over 500,000 tonnes of pipe production from Indian facilities in the current financial year.”

FY2008 performance (compared with FY2007)

- Revenues up 40.6% to Rs. 22,617.7 million from Rs. 16,082.9 million
- PBIDT increases 31.1% to Rs. 2,332.1 million from Rs. 1,778.7 million
- PAT improves 36.4% to Rs. 847.7 million from Rs. 621.6 million
- Diluted EPS increases to Rs. 20.88 from Rs. 15.02

Q4 FY 2008 performance (compared with Q4FY 2007)

- Revenues up 62.4% at Rs. 6,685.3 million from Rs. 4,115.5 million
- PBIDT better by 38.3% to Rs. 607.5 million from Rs. 439.3 million
- PAT higher by 41.5% to Rs. 183.2 million from Rs. 129.5 million
- Diluted EPS at Rs. 4.51 from Rs. 3.13

Note on quarterly results:

The Company operates in a sector where the major revenues and profit are booked on completion of projects or on completion of specific milestones, which may lead to uneven revenue and profit reporting on a quarter to quarter basis. The performance of the Company is therefore best monitored on an annual basis and the health of the business can be determined more from the order book position / order profile / sector developments, and the Company's ability and capacity to execute large orders.

- ENDS -

**Attached: Details to announcement and results table****About PSL Limited**

PSL Limited (PSL) is the largest manufacturer of high-grade large diameter Helical Submerged Arc Welded (HSAW) pipes in India. The Company manufactures and supplies pipes certified to API (American Petroleum Institute) standards for oil, gas and water transmission as well as structural and piling applications for both onshore and offshore sector.

PSL is one of the largest pipe manufacturers in India with 12 pipe mills at multiple and strategically coast based locations in Chennai, Kandla, Visakhapatnam and Daman along with the newly commissioned Sharjah unit. The annual pipe manufacturing capacity of the Company now stands at 1,175,000 MT per year.

Other business segments that PSL cater to, include pipes coating, induction pipe bending and sacrificial anode manufacturing. PSL has over the years successfully demonstrated its ability to simultaneously manage multiple assignments in a qualitatively and timely manner, both within and outside the country.

For further information please contact:

M. Venkatesh
PSL Limited
Tel: +91 22 6644 7777
Fax: +91 22 6644 7700
Email: psl@pslltd.co.in

Anoop Poojari
Citigate Dewe Rogerson
Tel: +91 22 4007 5006
Fax: +91 22 2284 4561
Email: anoop@cdr-india.com

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. PSL Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Details to announcement

Financial Overview and Discussions

(All comparisons on a corresponding period basis)

(All rupee figures in Rs. million unless stated otherwise)

Financial overview

Revenues

Particulars	Rs.
FY2008	22,617.7
FY2007	16,082.9
Shift %	40.6
Q4 FY2008	6,685.3
Q4 FY2007	4,115.5
Shift %	62.4

Some key orders executed in FY2008

Orders	Value (Rs. million)	Details	Status
L&T/ECC	2,700	Water project in Rajasthan	Partially executed
Reliance Port & Terminal	1,596	Reliance Jamnagar export refinery project	Executed
IOC	1,650	Dadri – Panipat pipeline	Partially executed
GAIL	1,350	Dabhol – Panvel pipeline	Executed
ONGC and Reliance Industries	1,752	Coating order for KD – D6 field development project	Executed

In FY2008, the Company registered an increase in pipe volumes and realisations leading to healthy improvement in the top line. Standalone Indian Company pipe sales in FY2008 increased 76% to 410,000 tonnes from 232,745 tonnes in FY2007. In FY2008, pipe production expanded by



65% to 404,000 tonnes compared to 244,915 tonnes in the corresponding period last year

During Q4 & FY2008, revenues improved by 62% to Rs. 6,685 million and 41% to Rs. 22,618 million respectively. Pipes contributed about 71% to revenues during the year and the remaining 29% comprised of coating and others.

Given the Company's capacity preparedness and its competitive edge, PSL has already demonstrated its ability to regularly win major orders. The Company's unexecuted order book stood at a record Rs. 62,000 million as on 24 June 2008. Most of the domestic order book valued at approx. Rs. 44,000 million is scheduled to be executed in FY2009 lending healthy visibility to revenue performance going forward. On the back of recent orders, the Company is confident of achieving pipe production of over 500,000 tonnes in FY2009.

PBIDT

Particulars	Rs.
FY2008	2,332.1
FY2007	1,778.7
<i>Shift %</i>	<i>31.1</i>
Q4 FY2008	607.5
Q4 FY2007	439.3
<i>Shift %</i>	<i>38.3</i>

Operating profits increased 31% to 2,332 million in FY2008 from 1,779 million in FY2007 as a result of higher pipe volumes witnessed in the period under review.

In the coming financial year, the Company anticipates healthy realisations on account of higher raw material prices. As a result of which it expects to report better operating earnings in FY2009.

Additionally, as a result of an excellent order book position the Company is targeting a visibly improved capacity utilisation during FY2009. This should also assist the Company to improve its earnings on a per tonne basis going forward.



Earnings overview

Particulars	PBT	PAT	EPS
FY2008	1,241.6	847.7	20.88
FY2007	862.0	621.6	15.02
<i>Shift %</i>	<i>44.0</i>	<i>36.4</i>	<i>39.0</i>
Q4 FY2008	325.7	183.2	4.51
Q4 FY2007	179.6	129.5	3.13
<i>Shift %</i>	<i>81.3</i>	<i>41.5</i>	<i>44.1</i>

In FY2008, interest increased by 33% to Rs. 579 million compared to Rs. 435 million in FY2007. As on 31 March 2008, PSL's long-term loan stood at Rs. 1,460 million and working capital at Rs. 4,620 million. The Company expects to maintain interest costs at similar levels for the financial year even on higher topline. During Q4 & FY2008, depreciation was up by 10% to Rs. 122 million and by 17% to Rs. 512 million respectively.

Tax expense increased by 184% to Rs. 143 million in Q4 FY2008 and by 64% to Rs. 394 million. The Company registered 42% and 36% growth in profits during Q4 & FY2008 to Rs. 183 million and Rs. 848 million respectively on account of overall superior performance.

- ENDS -